GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:4182
ANSWERED ON:11.08.2016
Purchase of Aircraft by Air India
Charitra Shri Ram;Maragatham Smt. K.;Patil Shri Chandrakant Raghunath

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Government proposes to buy new passenger aircraft for Air India and if so, the details thereof;

(b) whether the Air India proposes to induct 30 Airbus A320 aircraft due to a robust growth in domestic air traffic, taking its total fleet size to around 150 planes in the next three financial years, if so, the details thereof;

(c) whether a substantial decline in jet fuel prices which constitutes around 40 per cent of the total operational cost of airlines, allowed the domestic airlines to offer tickets at lower prices attracting air traffic; and

(d) if so, the details thereof?

Answer

Minister of State in the Ministry of CIVIL AVIATION

(Shri Jayant Sinha)

(a): No, Madam.There is no such proposal by Air India to purchase new planes.

(b): Yes, Madam.Air India is also inducting on dry lease A320 narrow body aircraft as part of its fleet replacement and expansion plans for the narrow body fleet. The Air India Board approved A320 induction in 2 phases of 19 units and 15 units, respectively. Out of 19 units, 5 have already arrived and for remaining 14 aircraft, agreement has been signed with M/s ALAFCO. Out of next 15 units, for 8 aircraft LOI has been signed with the two lessors and the final agreement is in process. The induction of the remaining 7 units is under process.

(c) & (d): Under the provision of Sub Rule (1) of Rule 135, Aircraft Rules 1937, airlines are free to fix reasonable tariff having regard to all relevant factors, including the cost of operation, characteristics of service, reasonable profit and the generally prevailing tariff. Air fare so established by the airlines is published on their respective website under the provision of Sub Rule (2) of Rule 135, Aircraft Rules 1937. Air India offers fares that are competitive and based on market considerations, seasonality, product features like frequency, timings, direct/indirect operations etc. Operational costs including ATF prices are a factor in determining the fares, however these are not bench marked or proportional with rise and fall of ATF prices.